

## **RESOLUTION NO. 08-10**

### **RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK RELATING TO THE REFUNDING OF ITS INSURED VARIABLE RATE DEMAND REVENUE BONDS (THE RAND CORPORATION) SERIES 2002B AND INSURED REVENUE BONDS (THE RAND CORPORATION) SERIES 2007 FOR THE RAND CORPORATION, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS**

April 22, 2008

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (as now in effect and as it may from time to time hereafter be amended or supplemented, the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, the Issuer has heretofore received the application of The RAND Corporation, a California nonprofit public benefit corporation (the "Corporation"), for financial assistance to provide funds (i) to refund its Insured Variable Rate Demand Revenue Bonds (The RAND Corporation), Series 2002B (the "2002 Prior Bonds") which 2002 Prior Bonds were used to finance, among other things, a portion of the costs of the acquisition, construction, furnishing and equipping of a corporate headquarters and related facilities owned and operated by the Corporation and located in Santa Monica, California (the "Prior Project"), (ii) to refund its Insured Revenue Bonds (The RAND Corporation), Series 2007 (the "2007 Prior Bonds" and together with the 2002 Prior Bonds, the "Prior Bonds") which 2007 Prior Bonds were used to refund its Insured Revenue Bonds (The RAND Corporation), Series 2002A and (iii) to pay certain costs of issuance incurred in connection with the issuance and sale of the Bonds (as defined below); and

WHEREAS, the Corporation has requested the Issuer to issue (i) its Refunding Revenue Bonds, Series 2008A (The RAND Corporation) (the "2008A Bonds") in a principal amount not to exceed \$35,000,000 to assist in the refunding of the 2007 Prior Bonds and related costs, and (ii) its Refunding Revenue Bonds, Series 2008B (The RAND Corporation) (the "2008B Bonds" and together with the 2008A Bonds, the "Bonds") in a principal amount not to exceed \$95,000,000 to assist in the refunding of the 2002 Prior Bonds and related costs; and

WHEREAS, the Corporation has requested the sale of each series of the Bonds be separated by at least fifteen (15) days for reasons related to the federal tax treatment of the Bonds and therefore each series of the Bonds will be offered pursuant to a separate Official Statement (as defined below), sold pursuant to a separate Bond Purchase Agreement (as defined below),

issued pursuant to a separate Indenture (as defined below) and secured by obligations of the Corporation under a separate Loan Agreement (as defined below); and

WHEREAS, in order to enhance the marketability of the Bonds, the Corporation has agreed to provide for the delivery of irrevocable, direct-pay letters of credit to be issued by Bank of America, N.A. (the "Credit Provider"), which is rated in one of the three highest rating categories of Moody's Investors Service, Fitch Ratings, Inc. or Standard & Poor's Ratings Services, without regard to numerical or other qualifiers, thereby supporting repayment of the Bonds; and

WHEREAS, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Infrastructure and Economic Development Bank as follows:

Section 1. The Issuer hereby determines as follows:

- a. The Prior Project is located in the State of California.
- b. The Corporation is capable of meeting the obligations incurred under the Loan Agreements approved by this resolution.
- c. The payments to be made by the Corporation to the Issuer under the Loan Agreements approved herein are adequate to pay the current expenses of the Issuer in connection with the financing and to make all the payments on the Bonds approved herein.
- d. The proposed financing is appropriate for the refunding of the Prior Bonds.
- e. The Prior Project is consistent with any existing local or regional comprehensive plan.
- f. The Prior Project demonstrates clear evidence of a defined public benefit.

The finding in subsection (b), above, is based on the requirement that the payment of the principal, purchase price of, and interest on each series of the Bonds will initially be supported by the Credit Provider and the Bonds will at all times be rated in one of the three highest rating categories of Moody's Investors Service, Fitch Ratings, Inc. or Standard & Poor's Ratings Services, without regard to numerical or other qualifiers.

Section 2. The revenue obligations of the Issuer, designated as the "California Infrastructure and Economic Development Bank Refunding Revenue Bonds, Series 2008A (The RAND Corporation)" in a principal amount not to exceed \$35,000,000 and "California



Infrastructure and Economic Development Bank Refunding Revenue Bonds, Series 2008B (The RAND Corporation)" in a principal amount not to exceed \$95,000,000 are authorized to be issued under the Act. The Issuer hereby acknowledges that the payment of the principal, purchase price of and interest on each series of the Bonds will initially be supported by an irrevocable, direct-pay letter of credit to be issued by the Credit Provider.

Section 3. The Treasurer of the State of California (the "Treasurer") is hereby authorized and requested to sell the Bonds, at any time and from time to time within one hundred eighty (180) days of receipt of a certified copy of this resolution, at negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 4. The proposed form of Loan Agreement (the "Loan Agreement") between the Issuer and the Corporation, on file with the Secretary, is hereby approved. With respect to each series of Bonds, the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed for and on behalf and in the name of the Issuer to execute, acknowledge and deliver to the Corporation, the related Loan Agreement in substantially said form, with such changes therein as the official executing the same, with the advice of the Issuer's counsel, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 5. The proposed form of the Indenture (the "Indenture") between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"), as presented to this meeting, is hereby approved. With respect to each series of Bonds, the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute, acknowledge and deliver to the Trustee, and the Secretary of the Issuer is authorized to attest thereto, the related Indenture in substantially the form presented to this meeting, with such insertions and changes therein as officials executing the same, with the advice of the Issuer's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates and payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the related Indenture, as finally executed.

Section 6. The proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement") among the Treasurer, the Issuer and Banc of America Securities LLC, as the underwriter (the "Underwriter"), as presented to this meeting, is hereby approved. With respect to each series of Bonds, the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute the related Bond Purchase Agreement in substantially the form presented to this meeting, with such insertions and changes therein as the official executing the same, with the advice of the Issuer's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of official statements relating to the Bonds (the "Official Statement"), as presented to this meeting, is hereby approved. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the offering of

each series of the Bonds, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by the Issuer's counsel, such approval to be conclusively evidenced by delivery thereof to the Underwriters.

Section 8. The Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, manually or by facsimile, in the name and on behalf of the Issuer, each series of the Bonds in a principal amount not to exceed the amount authorized hereunder in accordance with the related Indenture and in the form set forth in such Indenture.

Section 9. Each series of the Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee pursuant to the related Indenture. The Trustee is hereby requested and directed to authenticate such Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver each series of the Bonds, when so duly executed and authenticated, to The Depository Trust Company, New York, New York (the "Depository") on behalf of the purchasers thereof in accordance with written instructions executed on behalf of the Issuer by the Executive Director or the Chair of the Issuer, or the Chair's designee, which instructions said official is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute and to deliver to the Trustee with respect to each series of Bonds. Such instructions shall provide for the delivery of the each series of Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price thereof.

Section 10. The officials of the Issuer and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates, including without limitation a tax certificate, letter of representations or similar documents to the bond depository, interest rate swap documentation, including certificates identifying interest rate swaps integrated with the Bonds, any guarantees relating to the Bonds, or other documents necessary or advisable to refund the Prior Bonds, and any documents relating to an irrevocable, direct-pay letters of credit, which in each case they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds or otherwise to effectuate the purpose of this resolution.

Section 11. This resolution shall take effect immediately upon its passage.



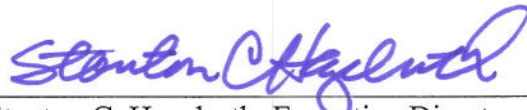
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on April 22, 2008 by the following vote:

AYES: Matteucci, Rosenstiel, Arnold, Saragosa, Rice

NOES: None

ABSENT: None

ABSTAIN: None



Stanton C. Hazelroth, Executive Director

Attest:



Roma Cristia-Plant, Secretary